

Gaming Commission Regulations
Regulation # R400-04:GC-06
Chapter 6 - Vendor Licensing

Section 1. Purpose; Authority

1-1. *Purpose.* It is the purpose of this Chapter to:

- a. To set a uniform process for the issuance of licenses to vendors and suppliers of gaming equipment, supplies, or services, as well as vendors supplying non-gaming equipment, supplies and services to any gaming enterprise operated by the Tribe; and
- b. Assist the gaming enterprise and its prospective vendors to understand the licensing process that Tribal law imposes upon persons that seek to do business with a gaming enterprise on Little River Band of Ottawa Indians Tribal lands.

1-2. *Authority.* These rules and regulations are issued under and pursuant to the authority of the Gaming Ordinance, # 010-400-01, Gaming Commission Ordinance, # 04-400-04, and Commission's Ordinance, # 04-150-01. This Regulation is specifically enacted in furtherance of the Little River Band of Ottawa Indians Gaming Commission's duty to license vendors doing business with any gaming enterprise within the jurisdiction of the Tribe pursuant to Section 8.04 of Article VIII and Article XI of the Gaming Ordinance #10-400-01.

Section 2. Definitions

2-1. *General.* For purposes of this regulation, certain terms are defined in this section. The word "shall" is always mandatory and not merely advisory. Unless defined elsewhere, terms defined in this Chapter and the Gaming Ordinance and Gaming Commission Ordinance are defined for the purposes of all Gaming Commission Regulations.

"Control Person" means (i) each of its officers and members on the Board of Directors; (ii) each of its principal management employees, including any Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or their respective equivalents, or general managers; and (iii) each of its substantial owners who own 10% or more of the voting shares of the corporation for a gaming vendor and 30% of the shares of the corporation for a non-gaming vendor. Also, any person with the responsibility and authority to contract on behalf of the business with respect to the goods, services, and concessions being provided to the Tribal gaming enterprise.

Any business which holds 10% or more interest in this company.

"*Gaming Vendors*" shall mean any person providing gaming services or concessions, gaming equipment or supplies.

"*Gaming equipment or supplies*" Gaming equipment or supplies means any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming. Or as otherwise described in Gaming Ordinance #10-400-01 – Article III, Sections 3.16.

“*Gaming Service*” means any goods or services which directly relate to the conduct of gaming, security, or surveillance at a gaming enterprise, including without limitation, providers of casino credit reporting services, casino surveillance systems or services, and suppliers, service providers or repairers of any gaming equipment or supplies, computerized gaming monitoring systems, drop boxes, bill exchangers, and credit voucher machines. No contract may be broken up into parts for the purpose of avoiding this definition or any requirement of licensure or certification.

“*General Manager*” means the highest level employee of the gaming enterprise.

“*Non-Gaming Vendor*” means any vendor providing goods and services to the gaming enterprise, other than gaming services or gaming equipment and supplies, in an amount of \$50,000.00 or greater, in any given twelve (12) month period.

“*Person*” means an individual, a corporation, a partnership, an association, a joint stock company, an unincorporated organization, any similar entity, or any combination of the foregoing acting in concert.

“*Service Vendors*” means any vendor providing goods, services or concessions to any gaming enterprise, other than gaming services or gaming equipment and supplies, in an amount less than \$50,000.00 in any given twelve (12) month period.

Section 3. License Required

3-1 Every person supplying any gaming equipment or supplies, gaming service, or other goods and services to a gaming enterprise must obtain a Gaming Vendor or a Non-Gaming Vendor license unless exempted from licensing requirements pursuant to Section 3-4 or Section 3-5 or meeting the definition of Service Vendor.

3-2 The gaming enterprise shall be responsible for notifying any person with which it is considering conducting business of the licensing requirements prior to contracting with such person.

3-3 Prior to the purchase of any gaming equipment or supplies, gaming service, or other goods and services from any person, the gaming enterprise shall determine if such person possesses or is required to possess, a Gaming Vendor or Non-Gaming Vendor License under these regulations and forward a written “Notice of Intent to Conduct Business” to the Gaming Commission. The “Notice of Intent to Conduct Business” shall describe the equipment, supplies or services to be provided by the vendor, together with a good faith estimate of the annual dollar amount of the projected purchases from the vendor. The gaming enterprise may not commit to any binding contracts or business transactions until the vendor has been licensed.

3-4 Exempted Vendors.

a. *Service Vendors.* Service Vendors, as defined in these regulations, shall not be required to obtain a Non-Gaming Vendor License

from the Gaming Commission. Service Vendors are required to adhere to the provisions of the Gaming Commission approved Service Vendor Program developed in accordance with Section 10 of these regulations.

b. The Gaming Commission, at its sole discretion, may exempt persons (or businesses) from vendor licensing requirements in certain highly regulated fields. The following is provided as a general reference for possible exemption:

1. Medical corporations, partnerships or sole proprietorships, where the officers, directors and owners are physicians.
2. Insurance companies licensed in any of the 50 U.S. States.
3. Attorneys licensed to practice law in any U.S. State, including legal partnerships and legal professional corporations.
4. Any lending institution regulated by the federal government or a state government, or any servicer, loan arranger, or placement agent exclusively for such institutions.
5. Any public or private institution of education.
6. Public utilities regulated by the Michigan Public Service Commission. Local, state and federal governmental agencies in Michigan, including the U.S. Postal Service.
7. Travel industry enterprises licensed by the Interstate Commerce Commission or the Michigan Public Utilities Commission or approved by the Air Traffic Conference or the International Air Transport Association. (This exemption does NOT apply to any "junket enterprise" or travel agency used by the gaming enterprise for official business travel.)
8. Commercial enterprises licensed or regulated by the Federal Communications Commission such as radio and television stations.

c. The Gaming Commission may grant special exemptions from vendor licensing requirements in certain fields providing professional services or unique services under circumstances where the Gaming Commission determines that licensing of the vendor is not necessary to protect the public interest or to accomplish the policies or purposes of the Gaming Ordinance. Persons that may qualify for special exemptions are those in the following circumstances: businesses from which a gaming enterprise purchases advertising, such as billboard companies, trade magazines and newspapers; advertising agencies providing artistic or

creative services; and persons making isolated (single item/event) sales of goods or services which do not impact any gaming activity.

3-5 The Gaming Commission may enter an Order(s) exempting certain fields (i.e. all insurance companies; regulated financial institutions) in the above categories from licensing or exempting fields or categories of similarly situated vendors under specified circumstances. In all cases, the gaming enterprise must submit a request for exemption from the licensing requirements, including details relevant to the request along with support documentation indicating the vendor is highly regulated (if applicable). The gaming enterprise shall forward a written “Notice of Intent to Conduct Business” to the Gaming Commission. The “Notice of Intent to Conduct Business” shall describe the equipment, supplies or services to be provided by the vendor, together with a good faith estimate of the annual dollar amount of the projected purchases from the vendor

3-6 The gaming enterprise is prohibited from entering into any contract until the vendor has been exempted by the Gaming Commission. Vendors granted an exemption by the Gaming Commission shall be required to provide a completed Conflict of Interest Disclosure in a form satisfactory to the Gaming Commission prior to the commencement of business with the gaming enterprise.

Section 4. Fee Schedule

Licensing fees will be charged for processing of applications and investigations and shall be payable to the Little River Band of Ottawa Indians.

4-1 Gaming Vendor - Initial Application Fees

Vendors providing gaming services, gaming supplies, or gaming equipment to the gaming enterprise will be charged licensing fees according to the following schedule based on the gaming enterprise’s good faith estimate on the Notice of Intent to Conduct Business.

4-1-1 All new Gaming Vendors expected to provide, gaming equipment, supplies, or services to the gaming enterprise in the amount of \$100,000 or greater will be assessed a license fee of \$5,000.

4-1-2 All new Gaming Vendors expected to provide, gaming equipment, supplies or services to the gaming enterprise in the amount of \$50,000 and greater but less than \$100,000, will be assessed a license fee of \$3,000.

4-1-3 All new Gaming Vendors expected to provide, gaming equipment, supplies or services to the gaming enterprise less than \$50,000 will be assessed a license fee of \$1,500.

4-1-4 The Gaming Commission reserves the right to require additional fees if the vendor applicant has significant subsidiaries or foreign holdings requiring investigation.

4-2 Gaming Vendor - Renewal Application

4-2-1 All Gaming vendors must maintain a valid Gaming Vendor License in order to continue doing business with the gaming enterprise. The gaming enterprise must initiate the renewal process by forwarding a Renewal Notice of Intent to Conduct Business form to the Gaming Commission at least 120 days prior to license expiration dates.

4-2-2 All Gaming vendors must complete the required renewal forms by the deadline date given in their license application instruction letter. Failure to submit the required renewal forms by this deadline date could result in the vendor's license expiring and the Gaming Commission ordering the gaming enterprise to cease doing business with the vendor. The fee for this renewal is \$1,500.00, regardless of anticipated cost for goods and/or services.

4-2-3 All Gaming vendors are under a continuing duty to disclose to the Gaming Commission any material changes to the information or documentation provided in or with an application for license in accordance with Section 5 of this regulation.

4-2-4 In the event that significant new information is disclosed since the last issuance of a Gaming Vendor License, a fee will be assessed based on investigative requirements. This fee will be discussed with the vendor prior to initiation of the investigation.

4-2-5 If any vendor fails to complete the requirements for renewal of its Gaming Vendor License, or to obtain a Temporary License in accordance with Section 8 of this regulation, prior to the expiration of their current license, the Gaming Commission will enter an Order prohibiting the gaming enterprise from conducting business with such vendor until such vendor complies with all licensing requirements.

4-3 Non-Gaming Vendor - Initial Application Fees

All vendors providing goods or services, other than gaming equipment or supplies and gaming services, will be charged licensing fees according to the following schedule based on the gaming enterprise's good faith estimate on the Notice of Intent to Conduct Business.

4-3-1 All new Non-Gaming Vendors providing non-gaming equipment, supplies or services to any gaming enterprise in an amount of \$50,000 and greater but less than \$100,000, will be assessed a license fee of \$750.

4-3-2 All new Non-Gaming Vendors providing non-gaming equipment, supplies or services to any gaming enterprise in an amount equal to or exceeding \$100,000 but less than \$200,000, will be assessed a license fee of \$1,500.

4-3-3 All new Non-Gaming Vendors providing, or expecting to provide, non-gaming equipment, supplies or services to any gaming enterprise in an amount equal to or exceeding \$200,000 will be assessed a license fee of \$3,000.

4-3-4 The Gaming Commission reserves the right to require additional fees if the applicant has significant subsidiaries or foreign holdings requiring investigation.

4-4 Non-Gaming Vendor - Renewal Application

4-4-1 All Non-Gaming Vendors must maintain a valid Non-Gaming Vendor License unless they qualify for Service Vendor status or are exempted by the Gaming Commission. The gaming enterprise must initiate the renewal process by forwarding a Renewal Notice of Intent to Conduct Business form to the Gaming Commission office at least 120 days prior to license expiration dates. Should the vendor be determined by the gaming enterprise to fall within the criteria to be a Service Vendor, the gaming enterprise will submit the Renewal Notice of Intent to Conduct Business identifying such re-classification.

4-4-2 All Non-Gaming Vendors must submit the required renewal forms by the deadline date given in their license application instruction letter. Failure to submit by this deadline date could result in the license expiring and the Gaming Commission issuing an Order to the gaming enterprise to cease conducting business with the vendor. The fee for this renewal is \$750.00, regardless of anticipated cost for goods and/or services.

4-4-3 All Non-Gaming Vendors are under a continuing duty to disclose any material changes to the information or documentation provided in or with an application for license under Section 5 of this regulation.

4-4-4 In the event that significant new information is disclosed since the last issuance of a Non-Gaming Vendor License, the rate will be adjusted based on investigative requirements. This rate will be discussed with the vendor prior to initiation of the investigation.

4-4-5 If any vendor fails to complete the requirements for renewal of its Non-Gaming Vendor License, or to obtain a Temporary License under Section 8 of this regulation, prior to the expiration of their current license, the Gaming Commission will enter an Order prohibiting the gaming enterprise from conducting business with such vendor until such vendor complies with all licensing requirements.

Section 5. Contents of Application

5-1 *Gaming Vendor Application.* Any applicant for a Gaming Vendor License shall furnish to the Gaming Commission the following information:

- a. A list of all equipment, supplies and/or services offered for sale or lease to the gaming enterprise and a summary of the equipment, supplies and/or services sold to the gaming enterprise during the prior license period, including a good faith estimate of the total dollar of such sales;
- b. A completed Vendor Corporate Disclosure form or Corporate Disclosure Renewal form or the business;

- c. A written certification, in compliance with any Gaming Commission Rules, that all supplies, devices, software and equipment conform to Section 6 of the Tribal-State Compact;
- d. A list of jurisdictions in which the vendor has applied for licensure and all jurisdictions in which the vendor holds a current and valid vendor license.
- e. A list of jurisdictions in which the vendor has been denied a vendor license or had their vendor license suspended or revoked.
- f. For each new applicant for a Gaming Vendor License, a completed Personal History Disclosure form for each "Control Person" identified in the Corporate Disclosure form.
- g. A completed Conflict of Interest Disclosure form.
- h. An executed Rider to Gaming Related Contracts.
- i. In the case of a Gaming Vendor License renewal, a completed Personal History Disclosure form must be submitted for each "Control Person" listed on the Vendor Corporate Disclosure Renewal form.

5-2 *Non-Gaming Vendor Application.* Any applicant for a Non-Gaming Vendor License shall furnish to the Gaming Commission the following information:

- a. A list of all equipment, devices, supplies and/or services offered for sale or lease to the gaming enterprise. In the case of a Non-Gaming Vendor License renewal, a summary of the equipment, supplies and/or services sold to the gaming enterprise during the prior license period, including a good faith estimate of total dollar amount of such sales;
- b. A completed Vendor Corporate Disclosure form or Corporate Disclosure Renewal form for the vendor's business;
- c. A list of all occupational or professional licenses or permits currently held by the vendor, together with the jurisdictions in which the vendor holds such licenses or permits.
- d. A list of jurisdictions in which the vendor has been denied any professional or occupational license or permit, or had any occupational or professional license or permit suspended or revoked.
- e. For each new applicant for a Non-Gaming Vendor License, a Person Personal History Disclosure form for each "Control Person" identified in the Corporate Disclosure form.

- f. A completed Conflict of Interest Disclosure form.
- g. In the case of a Non-Gaming Vendor License renewal, a completed Personal History Disclosure form must be submitted for each “Control Person” listed on the Vendor Corporate Disclosure Renewal form.

Section 6. Action on Application for Vendor License

6-1 A complete investigation will be conducted regarding the information supplied by the applicant(s).

6-2 The Gaming Commission will vote on the approval or denial of the vendor license initial application or renewal. The Gaming Commission’s licensing suitability determination shall be based on the information obtained or verified through the investigation process and the suitability criteria described in Section 7 of this regulation.

6-3 Upon approval of a vendor license, the vendor and the gaming enterprise will be notified of that fact.

6-4 Upon denial of a vendor license, the vendor and the gaming enterprise will be notified of that fact within 7 calendar days of the Gaming Commission’s decision. The notice to the vendor shall also state the specific grounds for denial, including any criminal conviction(s) prompting the denial, and of the applicant’s right to request a hearing before the Gaming Commission and to appeal the decision of the Gaming Commission in accordance with Article XII of the Gaming Ordinance and any applicable regulations prescribed by the Gaming Commission.

Section 7. Grounds for Refusal to Issue License.

7-1 *Gaming Vendors.* A person, firm or corporation is ineligible to receive a Gaming Vendor’s License if any of the following exist:

- a. The Person, or any Control Person, has been convicted of a felony under the laws of Michigan, any other State, or the United States within the 10 years preceding the application for license;
- b. The Person, or any Control Person, has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, or to a felony offense involving fraud, theft or misrepresentation;
- c. The Person, or any Control Person, is a member of, or employed by, the Gaming Commission or the gaming enterprise;
- d. The firm or corporation employs a Person who participates in the management or operations of any gaming enterprise regulated by the Gaming Commission;
- e. The firm or corporation has an officer, director or managerial employee who submitted the license application which contains false or misleading information;

- f. The person, firm or corporation has been determined to be associated with organized crime;
- g. The person, firm or corporation has been determined to be one whose prior activities, reputation, habits and association (including any Conflict of Interest) pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the operation of gaming or the carrying on of the business and financial arrangements thereto; or
- h. If a provider of gaming equipment or supplies, including any hardware or software relating to such equipment, has refused or failed to provide services which meet the technical requirements for such goods or services meeting the technical requirements prescribed in Tribal law and in Section 6 of the Tribal-State Compact.

7-2 *Other.* In addition to the eligibility requirements for licensing prescribed in Section 7, the Gaming Commission shall also satisfy itself that each applicant for a Gaming or Non-Gaming Vendor License:

- a. Is a Person whose background, reputation and associations evidence good character, integrity, and honesty.
- b. Has not knowingly or willfully provided false and misleading statements or information, has knowingly and willfully omitted information on the application or refused to respond to questions asked by the Gaming Commission specifically related to the eligibility to obtain or retain a vendor license.
- c. Has not demonstrated a willful disregard for compliance with any gaming regulatory authority in any jurisdiction or has failed to provide information requested by the Gaming Commission or staff.
- d. Has not pursued or is pursuing economic gain in an occupational manner or context which is in violation of the laws of any state, if such pursuit creates probable cause to believe that the participation of such vendor in gaming related activities or the operations of the gaming enterprise would be detrimental, or perceived as detrimental, to the Little River Band of Ottawa Indians.

Section 8. Temporary License

8.1 The Gaming Commission may, at its discretion, issue a temporary license for up to thirty (30) days to any applicant who sends a request in writing to the Gaming Commission and who has submitted a completed application and the appropriate license application fee. The date of issuance of the temporary license shall also be the starting date for the annual license.

8-2 *Criteria for Approval of Temporary Licenses.* The Gaming Commission may authorize the issuance of a temporary license for applicants for a Gaming or Non-Gaming Vendor License under the following circumstances:

- a. The applicant's license has expired or is about to expire and the applicant has submitted the required application fee and completed an initial/renewal application but either:
 - 1. the background investigation has not been completed; or
 - 2. the results of the background investigation have not been reviewed by the Background Investigator or designee; or
- b. The applicant has fully completed the application for an initial license, paid the appropriate license application fee, and fully disclosed documents and information requested by the Gaming Commission and it appears that after review of the application that the applicant is likely to qualify for a license.

Section 9. General Rights and Duties of Applicants

9-1 The holder of a vendor license is authorized to sell or lease, and to contract to sell or lease, gaming equipment and supplies unique to gaming to the gaming enterprise or other goods or services during the year for which the license applies.

9-2 *No Property Interest.* A vendor license issued by the Gaming Commission is a privilege and shall not constitute a property interest under Tribal or federal law.

9-3 *Responsibility to establish qualifications.* The burden of proving qualifications to receive a license is on the applicant. It shall be the further responsibility and continuing duty of each applicant/licensee to produce such information, documentation and assurances as may be required to demonstrate by clear and convincing evidence his/her qualifications to hold a license in accordance with the Gaming Ordinance, the Tribal-State Compact and Gaming Commission regulations. No license shall be granted to any applicant who fails to prove his/her qualifications.

9-4 *Renewals.* It is the responsibility of holders of a license to ensure that their license is valid at all times. Holders of a license shall file their renewal application no later than 60 days before their license expires, including updating all information contained in the original application. Temporary licenses may be granted upon request by the vendor and in accordance with Section 8 of this regulation. Vendor licenses (including Control Persons) must be renewed annually in the event licensing is still required. A holder of a license who fails to renew their license in its entirety within the timeframe specified shall be assessed the following fines, unless defined otherwise by Gaming Commission Order:

- a. \$100.00 – first offense – Non-Gaming
- b. \$250.00 – first offense – Gaming
- c. \$200.00 – second offense – Non-Gaming
- d. \$500.00 – second offense - Gaming
- e. Revocation hearing before the Gaming Commission – third offense

A license shall not be granted to a vendor who has been assessed a fine until such time that the fine is paid in full.

9-5 *Expired License.* A holder of a license who allows their license to expire shall be assessed the following reinstatement fees, unless defined otherwise by Gaming Commission Order:

- a. \$200.00 – first offense – Non-Gaming
 - b. \$500.00 – first offense – Gaming
 - c. \$400.00 – second offense – Non-Gaming
 - d. \$1,000.00 – second offense – Gaming
 - c. Revocation hearing before the Gaming Commission – third offense
- A license shall not be granted to a vendor who has been assessed a reinstatement fee until such time that the fee is paid in full. An expired license will result in the Gaming Commission issuing an Order for the vendor to cease conducting business with the gaming enterprise and the gaming enterprise to cease conducting business with the vendor.

Section 10. Service Vendor Program

10-1 The General Manager of any gaming enterprise shall be responsible for developing and administering an investigative program providing for the investigation of all Service Vendors doing business with such gaming enterprise.

10-2 The General Manager of any gaming enterprise shall submit its proposal for investigating Service Vendors to the Gaming Commission for approval.

10-3 *Contents of Service Vendor Program.* The Service Vendor Program shall include the following elements:

- a. The criteria and scope of investigation proposed for Service Vendors. At a minimum, all Service Vendors shall be required to complete and execute a Conflict of Interest Disclosure form;
- b. Standards for exempting any class of Service Vendors or individual Service Vendors from the investigation requirement;
- c. Fees charged Service Vendors to off-set investigation costs; and
- d. Monthly reporting to the Gaming Commission of management oversight to assure compliance with vendor licensing requirements, including:
 - 1. A current list of approved Service Vendors, including new Service Vendors added since the last reporting period and any Service Vendors removed from the program,
 - 2. The identity of Service Vendors which the gaming enterprise has refused to do business with or suspended business as a result of investigation findings,
 - 3. Tracking of year-to-date sales by or compensation paid to each approved Service Vendor.

e. Provide for advance notice to the Gaming Commission if the gaming enterprise has reason to believe that the sales to the gaming enterprise by a Service Vendor, or compensation for services to a Service Vendor, will reach or exceed \$50,000 during the current licensing period. Such notice shall describe the circumstances warranting the increased volume of business, and, if appropriate under the circumstances, a request for exemption from the Non-Gaming Vendor licensing requirements. The Gaming Commission may deem it appropriate to exempt a Service Vendor from Non-Gaming licensing requirements if the gaming enterprise demonstrates that following circumstances apply:

1. The amount of goods or services purchased in excess of \$50,000 during such licensing period is the result of unforeseen or unusual circumstances; and
2. The Gaming Commission determines that the vendor qualifies for exemption from licensing under Section 3-4 of this regulation.

f. It shall be the responsibility of the gaming enterprise to notify vendors of licensing requirements.

10-4 The Gaming Commission will conduct periodic reviews and audits of the Service Vendor Program.